

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 174 - SB 152**

March 11, 2021

**SUMMARY OF BILL:** Enacts the Tennessee Cleaner Landscapes for the Economy, Agriculture, and Nature (CLEAN) Act for the purpose of incentivizing and reducing litter in this state, reducing the costs to businesses, farmers, and governmental entities which result from litter and to provide economic development opportunities.

Creates the Tennessee CLEAN Commission, composed of 13 members and required to meet no less than quarterly. Commission members receive no compensation but may receive reimbursement for expenses incurred in attending meetings of the Commission.

Establishes the goals of: implementing a program for plastic, glass, and aluminum beverage containers which utilize a redemption deposit value in order to incentivize recycling; reduce litter including that which threatens the agricultural industry, and to develop a carryout bag reduction program.

The purposes and goals created by this Act are to be completed and implemented by June 30, 2023.

Furthermore, with regards to redemption deposit values, the Commission must determine the numerical monetary amount of the redemption deposit value of individual beverage containers; however, such amount can be no less than five cents per individual beverage container and must be sufficiently high to set and meet an 85 percent minimum annual beverage container redemption goal by the third full-year of the program and maintain such minimum percentage for every year thereafter. The Commission must develop and implement a system to prevent fraud and abuse of developed programs, including civil penalties to deter any such fraud.

Prior to development of the Commission's programs, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) is required to research, evaluate, and develop recommendations to determine the most effective methods to meet the purposes of the CLEAN Act and consult with the Commission therewith.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$17,200**

**Other Fiscal Impact – Additional, unknown impacts may occur due to the recommendations made pursuant to TACIR's required study. Due to multiple unknown variables, which could include the hiring of staff, entrance into various**

**contracts, and additional appropriations, among others, an exact impact of this legislation cannot be determined with any reasonable certainty.**

**Assumptions:**

- An effective date of July 1, 2021. The goals of this Act are required to be completed by June 30, 2023.
- Based on information provided by the TACIR, it can complete the required study utilizing existing resources.
- This legislation creates the Tennessee CLEAN Commission, consisting of 13 members.
- Members are not eligible for compensation but are eligible for reimbursement of expenses incurred in attending meetings.
- The Commission will meet 6 times in FY21-22, as well as 6 times in FY22-23.
- Meetings will occur once every two months and will take place over the course of a day.
- It is assumed that meetings will take place in Nashville.
- A per diem of \$295 (\$234 lodging + \$61 meals/incidentals) for 6 members who will stay overnight.
- On average, 10 members will receive reimbursement for mileage of \$110 each.
- In total, an increase in state expenditures in each FY21-22 and FY22-23 of \$17,220  $\{[(6 \text{ members} \times \$295) + (10 \text{ members} \times \$110)] \times 6 \text{ meetings}\}$ . This legislation does not attach this new Commission to any particular department.
- Additionally, other impacts that could result from this legislation cannot be interpreted prior to recommendations being made by TACIR, subsequent to its research and report.
- Due to multiple unknown variables, which could include the hiring of staff, entrance into various contracts, and additional appropriations, among others, an exact impact of this legislation cannot be determined with any reasonable certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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